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Senate

(Legislative day of Monday, June 3, 1985)

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself, Mr. ROTH, Mr. CHILES, Mr. GORE, and Mr. STEVENS):

S. 1347. A bill to provide access to criminal history record information for national security purposes for the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency; to the Committee on Governmental Affairs.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. NUNN] is recognized for not to exceed 15 minutes.

Mr. NUNN. I thank the Chair.

SECURITY CLEARANCE INFORMATION ACT OF 1985

Mr. NUNN. Mr. President, I rise to offer a bill which is intended to close a critical loophole in our Government's current Security Clearance Program. Senators WILLIAM V. ROTH, JR., LAWTON CHILES, ALBERT GORE, JR., and TED STEVENS join me in introducing the "Security Clearance Information Act of 1985." The problem which the bill addresses is the growing inability of Department of Defense, Office of Personnel Management [OPM], and Central Intelligence Agency [CIA] investigators to obtain State and local criminal justice records on individuals being considered for access to classified information or sensitive national security duties.

As ranking minority member of the Permanent Subcommittee on Investigations, I ordered an investigation of our Government's Security Clearance Program. This investigation culminated in 4 days of hearings held this past April. Senator ROTH, who as chairman of our subcommittee, gave his full support and cooperation to those hearings, joins me today in introducing legislation drafted as a direct result of the subcommittee's work.

Testimony at those hearings confirmed that one of the most meaningful and productive sources of information in personnel security investigations is local criminal justice records. For many years, local jurisdictions were quite forthcoming in making this information available to Federal investigators from the Defense Investigative Service [DIS], the Office of Personnel Management, and the Central Intelligence Agency [CIA].

However, our subcommittee learned that in recent years a disturbing trend has developed. Local and State jurisdictions in increasing numbers are denying DIS, OPM, and CIA agents access to criminal history records or permitting access to records of convictions only—not records of arrest. Other jurisdictions are severely limiting the number of requests that can be made or delaying the processing of these requests for a considerable period of time. The net result is that this important source of information is being seriously curtailed in many localities throughout the country.

Such a situation would be ludicrous if it did not have such far reaching and dangerous implications. Currently the U.S. Government is unable to obtain State and local criminal records on applicants for some of the most sensitive positions in the military and other Government agencies that are entrusted with our Nation's national security. Our recent hearings showed the serious nature of espionage as seen in the Christopher Boyce case at TRW, the William Holden Bell case at Hughes and the James Harper case at Systems Control Technology.

The potential target for Soviet espionage efforts is, unfortunately, an increasingly massive one. Today more than 4 million Americans hold Government security clearances, including more than 53 percent of Federal employees. More than 1½ million industry personnel are cleared. The latter figure alone has increased by over 44 percent since 1979.

Cleared personnel have potential access to an incredibly large amount of classified material. In our subcommittee hearings we heard testimony that there are today over 17 million Government secrets whose height, if stacked one on top of each, would equal the height of eight Washington Monuments.

Obviously, our proposal today will not respond to the entire problem of espionage. However, it will close a loophole which the Department of Defense, the Office of Personnel Management, the Department of Energy and the Federal Bureau of Investigation specifically brought to our attention during our hearings.

To correct this problem, I propose this bill which specifically authorizes the Federal Government to obtain access to local criminal justice records when conducting eligibility investigations for, one, access to classified information; two, assignment to or retention in sensitive national security duties; or three, acceptance or retention in the armed services. Such a request is only permitted if the person under investigation consents to it in writing. Moreover, the criminal history record information obtained pursuant to this request would be afforded the same protections as provided by the Privacy Act.

In conclusion, Mr. President, I once again must emphasize the importance of this legislation. Since the inception of the Government's personnel security investigation program, one of the most meaningful resources of information has been the criminal justice records of municipalities, counties and States. These local criminal records contain a wealth of information particularly pertinent to the trustworthiness and reliability of persons who are employed in sensitive positions or have access to classified information. In recent years, access to these vital files has been seriously eroding.

This inability to review criminal record histories is causing severe delays in clearing employees for Federal work and contracts. In addition, it is impairing the Government's ability to evaluate the overall suitability of an individual for a sensitive position and, thus, decreasing the Government's ability to meet its obligations for maintaining and safeguarding classified information. Not suprisingly, hostile intelligence services are not overly intimidated by a Government personnel security program like this where the proverbial left hand of the Government does not know or is not allowed to know what the right hand does.

I recommend passage of this bill so that we can put some credence into our Security Clearance Program.

Mr. President, I ask unanimous consent that the text and the section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Security Clearance Information Act of 1985".

CONGRESSIONAL FINDINGS AND POLICIES

SEC. 2. The Congress finds—

(1) that under the Constitution, Congress has the responsibility and power to provide for the common defense and security of our Nation;

(2) that the interests of national security require that the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency conduct investigations of individuals for the purpose of determining eligibility for access to classified information, assignment to or retention in sensitive national security duties, or acceptance or retention in the armed services;

(3) that the interests of national security require that the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency have access to criminal history record information when conducting investigations of individuals for the purpose of determining eligibility for access to classified information, assignment to or retention in sensitive national security duties, or acceptance or retention in the armed services; and

(4) that the interests of national security have been adversely affected by the reluc-

tance and refusal of many state and local criminal justice agencies to provide criminal history record information to the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency for use in investigations of individuals for the purpose of determining eligibility for access to classified information, assignment to or retention in sensitive national security duties, or acceptance or retention in the armed services.

SEC. 3. Chapter 31 of Title 10, United States Code, is amended by striking out section 520a and substituting the following:

"SECTION 520a. CRIMINAL HISTORY RECORD INFORMATION FOR NATIONAL SECURITY PURPOSES

"(a) As used in this chapter:

"(1) The term "criminal justice agency" includes federal, state, and local agencies and means: (A) courts or (B) government agency or any subunit thereof which performs the administration of criminal justice pursuant to a statute or Executive Order, and which allocates a substantial part of its annual budget to the administration of criminal justice.

"(2) The term "criminal history record information" means information collected by criminal justice agencies on individuals consisting of identifiable descriptions and notations of arrests, detentions, indictments, information, or other formal criminal charges, and any disposition arising therefrom, sentencing, correction supervision, and release. The term does not include identification information such as fingerprint records to the extent that such information does not indicate involvement of the individual in the criminal justice system.

"(3) The term "classified information" means information or material designated pursuant to the provisions of a statute or Executive Order as requiring protection against unauthorized disclosure for reasons of national security.

"(4) The term "state" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of Pacific Islands, and any other territory or possession of the United States.

"(5) The term "local" and "locality" means any local government authority or agency or component thereof within a State having jurisdiction over matters at a county, municipal or other local government level.

"(b)(1) Upon request by the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency criminal justice agencies shall make available criminal history record information regarding individuals under investigation by the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency for the purpose of determining eligibility for (A) access to classified information, (B) assignment to or retention in sensitive national security duties, or (C) acceptance or retention in the armed services. Fees charged for providing criminal history record information pursuant to this subsection shall not exceed those charged to other government agencies for such information.

"(2) This subsection shall apply notwithstanding any other provision of law or regulation of any State or of any locality within a State, or any other law of the United States.

"(c) The Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency shall not obtain criminal history record information pursuant to this section unless it has received written consent from the individual under investigation for the release of such information for one or more of the purposes set forth in subsection (b).

"(d) Criminal history record information received under this section shall not be disclosed except for the purposes set forth in subsection (b) or as provided by section 552a of Title 5, United States Code.".

SEC. 4. The amendments made by this Act shall become effective with respect to any inquiry which begins after the date of enactment of this Act conducted by the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency for any of the purposes specified in subsection (b) of section 520a of Title 10, United States Code, as added by this Act.

SEC. 5. The amendments made by this Act are made pursuant to the powers vested in Congress as found in Section 8 of Article I of the United States Constitution.

SECTION-BY-SECTION ANALYSIS

Section 1. States the title of the bill.

Section 2. Four subsections specify the Congressional findings justifying federal action in this area. Congress is entrusted with the responsibility and power to provide for our national security. These provisions establish that the inability of the Department of the Defense, the Office of Personnel Management, and the Central Intelligence Agency to obtain state and local criminal justice records when conducting background investigation negatively impacts upon our nation's security.

Section 3. Amends Title 10, United States Code, Section 520(a) by striking its language and substituting the proposed legislation. The current language of Section 520(a) is inadequate. Its language requests, but does not require, state and local governments to provide criminal history information. It is also inadequate since it is limited only to the Department of Defense and only for military recruitment purposes.

The new 520(a) language makes the language mandatory and broadens its scope beyond military recruitment to include contractor, civilian and military personnel with access to sensitive national security information or duties.

Subsection (a)(1-5) defines the appropriate terms as used in the statute. It utilizes those definitions now commonly used in the law enforcement community.

Subsection (b)(1) specifically authorizes the federal government, through the Department of Defense, the Office of Personnel Management, or the Central Intelligence Agency, to obtain access to local criminal justice records. Such requests are limited to those made in connection with investigations to determine eligibility for (A) access to classified information; (B) assignment to or retention in sensitive national security duties; or (C) acceptance or retention in the armed services. Fees charged for such records cannot exceed those normally charged to other agencies.

Subsection (b)(2) reiterates the authority under the Supremacy Clause of the federal Constitution for such legislation.

Subsection (c) protects the rights of the individual under investigation since it requires his written permission for the release of such information by the local or state criminal justice agencies.

Subsection (d) acts as a further protection to the rights of the individual under investigation. It affords the protections found under the Privacy Act to the subsequent disclosure of any criminal history record information obtained pursuant to this Act.

Section 4. Provides for the effective date of the Act. Only those inquiries beginning after enactment of the Act would be able to utilize its provisions.

Section 5. This section states that the amendments made by this Act are made pursuant to Article I, Section 8 of the United States Constitution. This reinforces the Congressional intention to pre-empt this area of legislation as an issue of national security.

Mr. NUNN. Mr. President, I reserve the remainder of my time.

Mr. ROTH. Mr. President, the Security Clearance Information Act of 1985, introduced by Senator NUNN and myself today, will constitute a major tool for enduring that all pertinent information relating to applicants for security clearances will be available to background investigators. It is incredible that such is not the case today.

In the course of hearings before the Permanent Subcommittee on Investigations, which I chair, investigators under the able direction of Senator NUNN, PSI's ranking minority member, revealed the shocking lack of information this Government is able to gather on persons who are to be granted access to our most sensitive national secrets. In many cases, only information gained from Federal indexes and a few neighbors is available for use in determining a person's trustworthiness. The great store of information regarding arrest history and other matters of a criminal justice nature at the State and local level has been largely unavailable.

While certainly not determinative of a person's current situation, such arrest and conviction information is absolutely necessary for a full adjudication of an application of a security clearance.

Our PSI hearings demonstrated the critical nature of both the initial and reinvestigation of a candidate's background. That background check is our first line of defense in safeguarding important military secrets from our enemies. If we are, by inaction, preventing the most thorough screening possible of the persons we entrust with such information, then we share the blame for a security clearance system that is ineffective and wasteful of the taxpayers' dollars.

I urge my colleagues to join Senator NUNN and myself to swiftly act on this critical legislation.

Mr. GORE. Mr. President, I take great pleasure in cosponsoring the Security Clearance Information Act of 1985, which my friend from Georgia, Senator SAM NUNN, is introducing today.

As the recent events surrounding the Walker espionage case have made all too clear, the threat of Soviet espionage is all too real and pervasive. The Soviet Union and its Warsaw Pact allies have a massive effort underway in this country to steal our secrets and our technology, in almost any manner they can. Against the backdrop of this threat, we have the sad and inexcusable state of affairs with respect to our system of security clearances, a system which is supposed to be one of

our Nation's chief safeguards against espionage.

Our system of clearances has arrived at a state which resembles "fast food" security clearance. The number of requests for clearances has nearly doubled since 1979, until now over 4 million Americans hold clearances of some kind. Over one-half of all Federal employees hold a clearance, not to mention 1.5 million defense contractor employees. The weight of evidence suggests that many of these clearances are unnecessary. Thus, we are needlessly increasing the number of targets for foreign agents.

This legislation is but a first step in a series of legislative solutions that are the result of hearings held by the Permanent Subcommittee on Investigations on this topic. These hearings were presciently conceived by Senator NUNN well before the events surrounding the Walker case came to light.

This legislation is an attempt to alleviate one of the more glaring problems with our system of investigating applicants for clearances. For many years, State and local law enforcement authorities have been more than cooperative in sharing information with Federal agents. However, recently there has been a disturbing trend toward limiting the access to criminal records, which has been seriously debilitating to investigators from the Department of Defense and the Office of Personnel Management. The Federal Government has no guaranteed right to this information under current law. This bill would grant that access, thereby closing one of the loopholes in our existing law.

The subcommittee will continue to bring forth proposed solutions, and I urge the support of my colleagues to counter the real threat of espionage.

Mr. CHILES. Mr. President, recent events have underscored our need to close every possible loophole in our security clearance system. This legislation marks a continuation of congressional effort to make sure that we give Federal investigators every tool they need in order to do their job effectively. I am happy to join Senator NUNN, who initiated the subcommittee's hearings and investigations.

When investigators are assigned to look into a person's background for the purpose of determining their fitness for security clearances, they need to be able to look at local criminal justice records as part of their evaluation.

I, of course, recognize the natural aversion that some State and local officials may have concerning Federal bureaucrats from Washington, DC, coming down looking through their files and records. However, when you consider the fact that the person being investigated may hold an extremely sensitive position in the Defense Department or some other agency, then the "inconvenience" would be well worth it.

We need desperately to cut the number of people who have clearances and we need to do a better job of investigating the ones who are "cleared" for access to classified materials. There are nearly 4½ million persons who have security clearances. We probably don't know how many of those persons have local criminal records. Some States and localities cooperate, others don't. None are legally required to do so.

This bill will authorize access to local criminal justice records under three conditions. They are:

When Federal Government investigators are conducting a background check for access to classified information.

During an investigation to determine a person's eligibility to be assigned or retained in a sensitive national security post.

During an investigation to determine acceptance or retention in the armed services.

I strongly agree with the safeguards written into the bill, and I want to emphasize that these safeguards are the same as those provided for by the Privacy Act.

I want to compliment the senior Senator from Georgia [Mr. NUNN] for his leadership in this area that is of tremendous concern to and for all Americans. I participated in the hearings of the Permanent Subcommittee on Investigation and heard some of the testimony which spotlighted the need for this legislation.

Mr. President, I am hopeful that this bill will be quickly considered by the Senate because it is clear that we need to do everything we can to plug as many holes as we can in our security system.

UNITED STATES SENATE
Permanent Subcommittee on Investigations

William V. Roth Jr., Chairman
Warren B. Rudman, Vice Chairman
Sam Nunn, Ranking Minority Member

FOR IMMEDIATE RELEASE
June 6, 1985

For Additional Information,
Contact: Eleanore J. Hill
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SENATORS RECOMMEND IMPROVEMENTS IN SECURITY CLEARANCE PROGRAMS

Senators William V. Roth, Jr., (R-Del.) and Sam Nunn (D-Ga.) of the Permanent Subcommittee on Investigations today called for fewer security clearances, improved and more frequent background checks, tighter controls on the dissemination of classified documents and a more active leadership role by the National Security Council as steps that can be taken immediately to curb the rise in Soviet espionage in the United States.

The Subcommittee held hearings on the government's security clearance program in April where shortcomings in the effort to combat espionage were cited. The hearings were based on an investigation by the Subcommittee Minority staff under the direction of Senator Nunn, as Ranking Minority Member, with the concurrence of Senator Roth, the Chairman.

As a result of the hearings, a report of the investigation, including the recommendations made public today, will be circulated among Subcommittee Members by Roth and Nunn.

Senators Roth and Nunn released copies of their proposed findings and recommendations at the press conference and, in a joint statement, urged Subcommittee Members to concur in the findings and the Congress and executive branch to use the report as the vehicle for taking prompt action to strengthen espionage control procedures.

Senators Roth and Nunn said:

"It is increasingly apparent that the Soviet Union and its surrogates have embarked on a massive espionage venture in this country wherein they hope to obtain as much of our classified information as they can. The U.S. must respond in a prompt and effective fashion.

"There are today more than 4 million persons with security clearances in this country. Given the massive numbers of clearance requests, all too often security clearances are granted with insufficient amounts of background inquiry. Equally important, our hearings showed that far too little commitment of resources is being made to periodically reinvestigate cleared personnel. Studies have shown that rarely do people enter federal service intending to commit espionage. It is usually after they have been on the job for a time that, for a variety of reasons, they become vulnerable to Soviet recruitment attempts. That is why the periodic reinvestigation is so important.

"We should do a better job of clearing government and defense workers. That objective can be a more realistic one if the number of cleared personnel is cut to the minimum. Far more workers have clearances than need them. For example, Pentagon officials testified at our hearings that 33 percent of the Top Secret clearances among defense contractor employees are held by people who never see a Top Secret document. With fewer background checks to conduct, government can do a better job on those that are really necessary.

"In addition, the Pentagon particularly should be more prudent in its dissemination of secret documents. The fewer people who see such papers, the fewer opportunities there are for compromise.

"The National Security Council and the interagency working group formed to implement National Security Decision Directive Number 84 (NSDD 84) should be encouraged, perhaps by the President himself, to move quickly to implement comprehensive reform in the way we provide for personnel security. Continued bureaucratic delay and interagency disputes should not be allowed to further forestall sound security measures. The NSC should take prompt and decisive action to address and help solve the many serious problems which undercut the government's ability to effectively protect classified information."

The Roth-Nunn findings and recommendations are attached.

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Attachment

June 6, 1985

Findings, Conclusions and Recommendations for Corrective Action in Federal Government Security Clearance Programs

1. The government's personnel security program should be devoted to accurately detecting potential security risks as well as efficiently clearing large numbers of personnel.

2. The number of personnel holding clearances for access to highly sensitive information must be reduced. Our current system cannot adequately insure the continued integrity and reliability of the 4.2 million Americans who today hold security clearances. Furthermore, hearing testimony strongly suggested that many of those 4.2 million have no actual need for a security clearance. Clearance requests have reached unmanageable numbers, resulting in diluted investigative resources and background investigations of diminished quality. The President should issue an executive order directing that government agencies and contractors substantially cut the number of security clearances within 2 years with a goal of a 50% reduction. As an added incentive, those agencies and contractors who make the largest cuts should be given priority on remaining clearance requests.

3. Complementing the reduction in clearances, there must also be a significant effort to insure that information is classified only where truly necessary to maintain the national security. Although the Subcommittee's investigation did not focus in detail on the problem of overclassification, the 1984 report of the Information Security Oversight Office, released shortly after the Subcommittee's hearings, confirmed that "overclassification" of information remains a problem within the government.

4. The National Security Council should promptly complete its review of the personnel security programs. Although the National Security Council has been charged with initiating needed reforms in personnel security, this had not been accomplished at the time of the hearings. Given the critical importance of these reforms to our national security, the National Security Council should act promptly and without further delay, to carry out this responsibility. Absent such action, Congress will be forced to consider enacting legislation to replace, revise, and consolidate the dated executive orders which now govern the government's security clearance programs.

5. An executive body should be established with personnel security oversight responsibilities for the entire government similar to those which the Information Security Oversight Office now holds for the classification of information. This organization should specify and enforce uniform government-wide standards for security investigations and adjudications for both personnel and facility clearances. Standard requirements for formal training for both investigators and adjudicators should be established.

6. Congress must also focus on problems dealing with classified information in the legislative branch. For the most part, there are no established standards or procedures. Personal offices and Committee practices vary widely in terms of their handling of clearances and classified material. There are few, if any, checks in this system. We believe an overall review of security procedures in the legislative branch should be conducted by the Rules Committee in consultation with the Intelligence Committee with a goal of recommending improvements where needed. We commend the Senate Intelligence Committee's efforts in this area and recommend the review of their practices and procedures as a model for such improvements.

7. A more thorough quality background should be conducted on those individuals with Secret clearances who have access to highly sensitive information. Hearing testimony established, without dispute, that the national agency check, now currently used as the basis for most Secret clearances, is woefully inadequate as a background investigation. Some effort should be made to review and perhaps restructure the massive Secret clearance category with a view to prioritizing those clearances actually affecting the most critical and sensitive information.

8. There should be regular periodic reinvestigations for personnel with Secret and Top Secret clearances. Timely reinvestigation should be considered as important and be accorded as much priority as the initial background investigation. Cleared employees, at both government and contractor levels, should be required to complete yearly updated personnel security questionnaires. Some responsibility for updates should be shifted where possible to the users' security departments.

9. More realistic sanctions, such as debarment, suspension, and the imposition of monetary fines, should be meted out to employers of cleared personnel, including defense contractors, if they knowingly or through negligence violate personnel security regulations. Greater emphasis should be placed on the use of these sanctions in an effort to increase the accountability of contractors for security violations.

10. Legislation should be enacted which would allow security clearance investigative agencies such as the Defense Investigative Service and the Office of Personnel Management to obtain needed background information from state and local agencies as well as private corporations. Currently, they are often refused needed information due to interpretations of a variety of laws, including state privacy acts, the federal privacy act, and the Fair Credit Reporting Act.

11. An interagency group should be formed to develop a more effective means for conducting personnel security investigations regarding immigrant aliens and recently naturalized citizens who apply for security clearances. U. S. agencies which assist in clearance investigations abroad should recognize the critical importance of this task to national security and prioritize their efforts accordingly.

12. Responsible government agencies should increase efforts in the area of personnel security research to develop appropriate investigative strategies and procedures and to identify, where possible, areas of personnel vulnerability. Hearing testimony indicated that, at least in the Defense Department, there has been no significant dedication of resources for furthering study in this area, despite its growing importance to our national security.

13. Congress should consider the need for legislation clearly specifying that the Merit Systems Protection Board is authorized to review employment, as opposed to security, decisions. The Board, whose expertise does not encompass questions of national security, should not be engaged in the denial or reinstatement of security clearances.

14. The government should determine the feasibility of utilizing available technology for the encoding of classified documents to prevent their unauthorized duplication and removal. If feasible, this technology should be implemented as soon as possible on, at the least, a prioritized basis determined by the sensitivity and vulnerability of the material involved.

15. Continuing security awareness programs on behalf of federal agencies and industrial contractors should be given the highest priority. These programs should emphasize the harsh realities and grave personal consequences of espionage in an attempt to dispel popular misconceptions of espionage as an often glamorous and intriguing adventure.

16. Within the Department of Defense, all industrial clearance adjudication, including Special Access Programs (SAP) or Sensitive Compartmented Information (SCI) procurements, should be consolidated. According to hearing testimony, the present division of adjudication authority generates inconsistency, unpredictability and duplication of effort within the Department of Defense clearance system.

17. Under current rules, contractors who reduce security costs have a competitive advantage in the bidding process. Current Federal Acquisition Regulations should be reviewed to determine whether they can be modified to segregate security costs from those overhead rate determinations used for the award of contracts. Testimony suggested that the current inclusion of security costs in overhead gives contractors a "disincentive" to strengthen and improve security programs.

18. Defense Investigative Service (DIS) and Office of Personnel Management (OPM) investigators are not currently authorized to use the National Crime Information Center (NCIC) data bank. Law enforcement agencies routinely use that data bank to quickly obtain updated criminal record information. The Attorney General should proceed with arrangements for both the Defense Investigative Service and Office of Personnel Management to be granted access to the National Crime Information Center by the Board of Governors. Use of the Center would greatly facilitate access to state criminal records which are often otherwise unavailable for use in clearance investigations.

19. Government agencies and contractors should emphasize and strictly adhere to the "need to know" standard in submitting clearance requests. Greater responsibility should be delegated to the employers of cleared personnel, including contractors, to "prescreen" individuals submitted for clearances. In order to strengthen their incentive to eliminate unnecessary clearances, the costs of investigations conducted by the Defense Investigative Service should be charged to the appropriate DOD service or agency, similar to the system now employed by the Office of Personnel Management. Contractors should be charged for the cost of any DIS investigations requested beyond established quotas for those requests.Under current rules, costs of Defense Investigative Service investigations are covered by the DIS budget, rather than by those agencies requesting the investigations.

20. The requirements for cleared personnel and facilities vary in response to federal budget priorities. To meet uneven demand, the Office of Personnel Management and the Department of State have instituted plans of contracting with experienced outside investigators who can be called upon during surge periods, thus delivering adequate investigative products without unnecessarily expanding the permanent federal workforce. All agencies responsible for conducting personnel security investigations should examine the feasibility of, and consider, following this procedure during surge periods.

21. Currently, only three professional employees in the Department of Defense are responsible for policy operations for what amounts to the largest personnel security program in the free world. More realistic staffing would help eliminate the need to periodically create oversight committees to propose reforms of the program. The office in DOD dealing with personnel security policy should be given enhanced status and adequately staffed and funded so that it can effectively oversee the DOD personnel security program.

22. In keeping with these recommendations, the Subcommittee commends the work of the Department of Defense Industrial Security Review Committee as set forth in its December 1984 report. The Committee's analysis of the Defense Industrial Security Program was extremely helpful to the Subcommittee in identifying and examining major shortcomings within the program. The Subcommittee recommends that the Department of Defense review and implement where feasible the Committee's recommendations for improvement of the Industrial Security Program, with particular emphasis on those portions dealing with the enhancement of personnel security investigative standards; the reduction of industrial clearances; increased and improved security requirements for industrial contractors - including strict monitoring of after-hours access; and revision of the industrial security inspection system.

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Central Intelligence Agency

Washington D C 20505

OLL 85-1754/2

The Honorable Daniel A. Mica
Chairman
Subcommittee on International
Operations
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is in response to your request for the views of the Central Intelligence Agency concerning an amendment by Senator Mathias to the Senate version of the State Department Authorization Act that would authorize the Secretary of State to test appropriate means of increasing employment of qualified spouses of American personnel assigned to United States missions.

We are preparing a response that contains our views regarding the ramifications of this proposal on Agency personnel overseas, which we will shortly send to you following appropriate Administration coordination and clearance. This letter is also being provided to Ranking Minority Member Olympia J. Snowe.

Sincerely,

Charles A. Briggs
Director, Office of Legislative Liaison

Distribution:
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LEG/OLL: [redacted] (25 June 1985)

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Central Intelligence Agency

Washington, D.C. 20505

OLL 85-1754/3

The Honorable Olympia J. Snowe
Ranking Minority Member
Subcommittee on International
Operations
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

Dear Congresswoman Snowe:

This letter is in response to your request for the views of the Central Intelligence Agency concerning an amendment by Senator Mathias to the Senate version of the State Department Authorization Act that would authorize the Secretary of State to test appropriate means of increasing employment of qualified spouses of American personnel assigned to United States missions.

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